



STATE OF CALIFORNIA
FRANCHISE TAX BOARD
Legal Branch
PO Box 1720
Rancho Cordova, CA 95741-1720
(916) 845-7835 Fax (916) 845-3648

KATHLEEN CONNELL
Chair

JOHN CHIANG
Member

B. TIMOTHY GAGE
Member

August 28, 2002

Information letter: 2002-0348

Dear *****:

Re: *****

Thank you for your letters dated *****, in which you requested information from the Franchise Tax Board about California taxation of military retired pay including retired military disability pay and California taxation of three types of survivorship annuity plans, RSFPP, SBP, and SSBP annuities.

California's tax treatment of military retired pay and the three survivorship annuity plans has not changed in the past year. Therefore, the information that is contained in ***** relating to the California tax treatment of military retired pay and the three survivorship annuity plans is still applicable for the current taxable year.

The only change that California has made in the past year that may affect taxation of retired military pay is in respect to taxation of nonresidents. While California's method for taxing nonresidents has remained the same, the formula for computing the tax on nonresidents has changed slightly. Because the ***** publishes does not provide a description of the computation formula for California's taxation of nonresidents, **** does not need to change any information in the Income Tax Guide for the current taxable year to reflect these changes.

Additionally, the contact information in *****, including the web site address, is still the correct contact information to obtain assistance and to order tax forms from the Franchise Tax Board.

If you need any additional information relating to California's taxation of military retired pay or to the three types of survivorship annuity plans, please feel free to contact me at (916) 845-7835.

Sincerely,

Carissa Lynch
Tax Counsel